



DATE:	May 14, 2010
PURPOSE:	CARTAC Steering Committee Meeting
CHAIRPERSON:	Brian Wynter, Governor, Bank of Jamaica
CO-CHAIRPERSON	William Layne, Permanent Secretary of Finance, Barbados
IN ATTENDANCE:	Appendix I.
LOCATION:	Accra Beach Hotel & Spa, Barbados

	Agenda Item	Presentation / Discussion	Comments / Action (⚙) / Decisions (✓)
1.	Welcome – William Layne; Governor Brian Wynter	See Appendix I	
2.	Programme Coordinator's Report	See Appendix I <ul style="list-style-type: none"> • Introduction of CARTAC's new mission statement – "Supporting Economic Performance in the Caribbean by Strengthening Capacity" • Overview of recent developments in the region and CARTAC's response to the financial crisis; increased debt burdens; rising technical assistance 	<ul style="list-style-type: none"> • Debt Management: <i>Trinidad & Tobago</i> expressed a need for TA support in the area of debt management & debt sustainability frameworks. • PC Report & CARTAC Reporting: <i>CIDA</i> expressed appreciation for the improvements in reporting received from CARTAC's

	Agenda Item	Presentation / Discussion	Comments / Action (☀) / Decisions (☑)
		<p>(TA) demands; withdrawal of the Dominican Republic from CARTAC to fully integrate with CAPTAC. CARTAC now has 20 members.</p> <ul style="list-style-type: none"> • Development of a Regional Financial Stability Framework • Particular Response to Haiti: CARTAC fielded revenue administration and macro-fiscal TA mission following the Jamaica earthquake. • Overview of the activities in each TA sector. <p>Phase III Budget</p> <ul style="list-style-type: none"> • Total Cash Budget now projected at USD 40 million through to end of 2010. This is a 60% increase over the original budget in response to TA demands after the financial crisis. • Not included are contributions from the IADB (not cash); the World Bank grant (disbursed via the ECCB); funds from the EU (<i>Disbursement from the 10th EDF is not expected before 1st Qtr 2011</i>). • CIDA contributed an additional USD 5 million which should cushion any possible negative impact that may have been expected from the non-disbursement of the 10th EDF resources in the near term. • Request made to respective member countries to close off any arrears. • Comparative breakdown of Phase III donor contributions presented. 	<p>technical advisers as well as for the content delivered in the report from the Programme Coordinator.</p> <ul style="list-style-type: none"> • Impact of the Financial Crisis on the TA Demands: The PC suggested that she does not expect more than a 25% reduction in TA demands even after the financial crisis levels off as the fall-out from the economic crisis will drive the demand for TA over the next few years and in addition, the bulk of CARTAC's present work programme has been in train for some time now. E.g. VAT TA is a 24-month programme. • <input checked="" type="checkbox"/> CARTAC Work Plan: No objections were presented regarding the projected 6-month work plan and the decision was taken by the Steering Committee to approve the plan. The SC was advised that the PFM Action Plan for Grenada though not reflected in the current workplan, is scheduled to take place next month (June 2010). • <input checked="" type="checkbox"/> CARTAC Projected Expenditure for the next 6-months of 2010: The Steering Committee approved the budget as it was presented, subject to changes being made to reflect the non-receipt of the \$5 million from the EU. Clarification was provided on the over-projected expenditure allocations in the appendices provided, indicating that the necessary adjustments to the individual components will be made to incorporate any funds

	Agenda Item	Presentation / Discussion	Comments / Action (☀) / Decisions (☑)
		<ul style="list-style-type: none"> Budget breakdown presented in terms of allocation by training sectors, Long and Short Term Experts and TA departments. 	not expected to be received.
3.	Medium Term Evaluation Action Plan – Kristina Kostial & Therese Turner-Jones	<p>See Appendix I</p> <ul style="list-style-type: none"> The report covered the Action Plan for CARTAC Phase IV which is expected to extend over 5 years. It outlined the IMF recommendations to the Steering Committee. The number of technical assistance centres across the world will be increased to 10, effectively servicing over 100 member countries. IMF currently working with partners and donors on topical trust funds. One is already in operation - <i>‘Anti-Money Laundering, Combating the Financing of Terrorism’</i>; Other funds in the works are Revenue Administration and Managing Natural Resources. Overview of the recommendations from the Medium Term Evaluation and the proposed response to these recommendations. CARTAC Phase IV Programme Document: The Programme Document will focus on expected verifiable indicators of results in recipient TA countries. Next draft will be available for comments in June 2010. Fund raising efforts will commence in June 2010. CARTAC will remain dependent on external 	<ul style="list-style-type: none"> Website Updates: Feedback should be invited from the countries to determine what changes they would like to see made to CARTAC’s website; Support was given by donor and country representatives for a move towards country-specific web pages. CARTAC’s Phase IV Programme Document: A request was made for an opportunity for the document to be brought before the Steering Committee prior to the next Steering Committee Meeting in November. ☀ The Chair stated that the arrangement for an opportunity for the Programme Document to be reviewed by the Committee before the next official SC Meeting, will be turned over to the Programme Coordinator. CARTAC’s Steering Committee: Support was given to allowing more ECCU countries the opportunity to sit on the Steering Committee. However two determining factors on the attendance of country representatives may be the fact that representatives have to fund their own travel and also the location of the meeting may require more than 1 day’s

	Agenda Item	Presentation / Discussion	Comments / Action (☀) / Decisions (☑)
		<p>funding in Phase IV.</p> <ul style="list-style-type: none"> • CARTAC Exit Strategy: Feedback required on the suggestion for increased contributions from the beneficiary countries • Cost Recovery: CARTAC TA will not be subject to the IMF Country Contribution Policy; A suggestion was put forward for the beneficiary countries to gradually increase their annual contributions on a voluntary basis, equivalent to a suggested 5 % of the technical assistance costs of the Centre to symbolize ownership and the importance of CARTAC to the region. • Efficiency Gains in Administration: Less reporting to the IMF but should still rely on the extremely valuable technical assistance expertise and resources within the IMF; Increased reporting to the Steering Committee and sharing of technical assistance reports among member countries and donors under the recent information sharing confidentiality agreements; IMF to take over the total management of CARTAC as opposed to the current financial arrangement with the UNDP. Other RTACs are managed in this way. This is expected to lower the administrative costs and simplify the financial reporting. • Results Based Management: Being addressed in the Phase IV Programme Document. Increased focus on verifiable indicators of success. • Improved Technical Assistance to Haiti: Though CARTAC is not the appropriate vehicle 	<p>travel each way.</p> <ul style="list-style-type: none"> • Donor Response to the projected annual budget of USD \$10 – 12 million: CIDA will not be able to sustain their current proportionate funding with this projected budget over a 5 year period; CIDA indicated that they would be looking for higher beneficiary contributions and a more even burden sharing of the costs among donors and member states. DFID's contribution is yet to be determined for Phase IV. • Execution and Implementation Agency of CARTAC being solely the IMF: UNDP indicated that they would ask that the SC revert to a decision from the CARICOM Committee Of Finance And Planning (COFAP) regarding UNDP's involvement with CARTAC's governance. This was supported by the CARICOM representative. <ul style="list-style-type: none"> ☑ The Chair pointed out that the decision for the IMF to be the sole execution and implementation agency for CARTAC will be forwarded to COFAP at its next meeting for endorsement. The decision is required before January 2011. • Results Based Management: The fundamentals of this new framework need to be in place at the start of Phase IV. • Fund Raising for Phase IV: It was queried whether there was any intention to broaden

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		<p>for TA after such a massive shock, CARTAC should ensure that particular focus is placed on Haiti. This will need to be a joint technical assistance effort with other TA providers requiring a dedicated TA project, such a project is being considered by the EU.</p> <ul style="list-style-type: none"> • Country Strategy Meetings: To be incorporated into CARTAC's Workplan for the second half of 2010. • Website Updates: Currently working towards re-designing the site around the recommendations including developing country-specific pages; and updating to reflect the core objectives and mission of CARTAC. Projected timeline is end of 2010. • CARTAC's Steering Committee: It is felt that the presence of the IMF, which has been relatively large at recent meetings, is necessary as the input from the representatives of the various TA backstopping departments is very relevant together with the coordination of activities that may then be achieved. However, feedback was invited from the Steering Committee on the composition of the Committee itself. • Recommendation : CARTAC enters Phase IV. 	<p>the base of donors since CIDA would not be able to continue with the same level of funding and EU assistance would have to be sought indirectly through CARICOM.</p> <ul style="list-style-type: none"> • The Chairman noted that the Steering Committee had approved all the recommendations. However, the final decision for the IMF to be the sole execution and implementation agency for CARTAC would have to be endorsed by COFAP.
4.	Technical Assistance Priorities – Programme Coordinator	<p>See Appendix I</p> <ul style="list-style-type: none"> • A presentation was given on the technical assistance priorities for the next 5 years as identified from the results of surveys that were 	

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		taken among the member countries.	
5.	Focus on Antigua & Barbuda	<p>Presentation by the Hon. Harold Lovell, Minister of Finance & Economy, on the ways in which CARTAC has been working with the Government of Antigua & Barbuda and responding to their requirements.</p> <ul style="list-style-type: none"> • Economic Situation in Antigua & Barbuda: Inflation rate rose by 2.4% during 2009; The fiscal position of central government deteriorated as the overall deficit widened; Total outstanding public sector debt declined as the government started implementing aspects of its debt strategy; Balance of payments deteriorated in 2009; level of liquidity in the banking sector also declined. • Economic Forecast for 2010: output in the country is expected to contract by a further 2%. Recovery in the domestic economy is closely tied to the expansion activity of the global economy, particularly the USA and the UK. • National Economic and Social Transformation Plan: Supported by a 3-year stand-by arrangement with the International Monetary Fund which should be approved when the Board meets in June. • A Policy Based Loan from the CDB has been approved and disbursements are to commence once the IMF support has been finalized. • CARTAC TA thus far has included: 	<ul style="list-style-type: none"> • Rewarding to hear specific endorsement from countries • The Chairman noted that the experience of Antigua and Barbuda highlighted the importance of engagement at the highest levels in order to reap success from TA. • Demonstration of the linkage of technical assistance to policy and its ownership by principals. • Communication strategy should also focus on telling people of the results of what is being done.

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		<ul style="list-style-type: none"> - Work done by Desiree Cherebin, to review and recommend much needed changes to the structure of the FSRC as well as training initiatives for training governors. - Development and implementation of Personal Income Tax (2005), and the Antigua and Barbuda Sales Tax (2006-7). - Methods and processes for rebasing of the NA. - Revising the country's CPI. - Rebasing the GDP from base year 1990 to Base year 2006 (completed March 2010) - Preparation of critical reform plans for the IRD and Customs Departments to strengthen operations and improve compliance and collections - Strengthening of PFM supported in great part by CARTAC LTX Mark Silins, STX Denis Lepage, regional consultant Margaret Sivers. PFM TA included PEFA Assessment, PFM Action Plan, Budget Preparation and Execution; Sensitization of officials regarding the new Finance Administration Act). - Estimated value of the TA delivered is in excess of US 1.4 million dollars. • Further TA is expected over the next 12-18 months in the area of Revenue Reform which shall include: <ul style="list-style-type: none"> - Compliance across tax types. 	

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		<ul style="list-style-type: none"> - Institutional strengthening in financial auditing. - More effective systems for revenue collection and expenditure management. - Reviewing and enhancing existing legislation. <p>Update from CARTAC Advisers</p> <p>See Appendix I</p> <ul style="list-style-type: none"> • Mark Silins provided more details of the technical assistance provided by CARTAC (and funded in large part by DFID) to the government of Antigua & Barbuda in the area of PFM. • Brian Jones provided more details of the technical assistance provided by CARTAC (and funded in large part by DFID) to the government of Antigua and Barbuda in the area of Tax and Customs Administration. 	
6.	Regional Financial Stability Project – Desiree Cherebin	<p>See Appendix I</p> <ul style="list-style-type: none"> • The project was initiated in September 2009 by Governor DeLisle Worrell, (Former Head of the Caribbean Centre for Money and Finance, CCMF) requesting collaboration with CARTAC and the CCMF on the Regional Financial Stability Project. • Overall objectives of the workshop as it has been developed thus far: <ul style="list-style-type: none"> - Assisting regional groups with strengthening financial sector supervision. 	<ul style="list-style-type: none"> • There is the recognition that there cannot be regional stability without domestic stability. Therefore the processes in each country needs to be strengthened.

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		<ul style="list-style-type: none"> - Assisting member countries with legislative reform and harmonizing financial sector legislation. - Assisting member countries with the development of credit bureaus. - Assisting member countries with improving data collection and statistical reporting. - Strengthening macroeconomic policy formulation and projection. • The conclusions drawn from the workshop as well as the challenges being faced as the project moves forward were also presented. • Following the workshop, a Regional Financial Stability Framework Paper has been developed and approved by Governor Worrell, CARTAC, and the CCMF. • CARTAC's commitment to continued support of the project is much needed particularly in the areas of supporting the CCMF as the coordinating agency as well as lending technical assistance to the countries in building capacity in financial stability analysis and reporting. 	
7.	Update on Haiti; Debt Management – Michel Marion	<p>See Appendix I</p> <p>Update on Haiti</p> <ul style="list-style-type: none"> • A presentation was given on the strengthening of 	<p>TA delivery to Haiti:</p> <ul style="list-style-type: none"> • IDB has established a special task force unit/department to assist Haiti.

	Agenda Item	Presentation / Discussion	Comments / Action (☺) / Decisions (☑)
		<p>the Macro-Fiscal Unit in the Ministry of Finance and Economy, Haiti.</p> <ul style="list-style-type: none"> • Project is being managed by the IMF and funded by the EU. • CARTAC Assistance is required in the following areas: <ul style="list-style-type: none"> - Supporting peripatetic missions of a macro-fiscal adviser to support this project. - Hands-on work to produce outputs with officials of the DEE. - Forecasting and preparation of fiscal projections. - Preparation of documents: plans, policy documents, analytical reports. - Supporting a coordination effort within the Ministry of Finance with revenue authorities, the Central Bank, the Ministry of Planning, the Statistics Agency and the donors. <p>Update on Debt Management TA delivery</p> <ul style="list-style-type: none"> • Presentation was given on CARTAC's approach to the delivery of debt management and debt sustainability TA in member countries. • The aim is to focus on areas that are not being covered or focused on by other TA programmes; These include Institutional review; Inter-Agency Coordination and Strengthening middle and front office functions. 	<ul style="list-style-type: none"> • Just less than US\$500 million has been approved to help manage the country's debt and a further \$2 billion over the next 10 years • Technical Corporation (US\$20 million) to boost revenues and strengthen public expenditure in other areas. • The need for coordination of the TA effort to Haiti was expressly supported by the IDB as well as by the IMF. • There is concern about the capacity of Haiti to absorb the aid and therefore there is need for follow-up discussions. • The WHD of the IMF is compiling a list of projects from all agencies to prevent duplication.

	Agenda Item	Presentation / Discussion	Comments / Action (⚙️) / Decisions (✅)
8.	EGRIP Update & Relations with CIDA – Kathy Lalazarian(WB)& Lynne Racine(CIDA)	<p>Electronic Governance Regional Integration Project (EGRIP)</p> <ul style="list-style-type: none"> • The primary objective of EGRIP is to enhance the delivery of public services through integrated e-applications. • The focus is on the OECS starting with Grenada, Dominica, St. Lucia and St. Vincent & the Grenadines; US 2.3 million allocated to each country. • Currently in phase I which ends in 2013. • The project supports the following interventions: <ul style="list-style-type: none"> - multi-purpose ID systems - automated registries - ICT standards - Regional e-government institutional frameworks - Implementation of application software to support the execution of Tax and Customs Administrations (ASYCUDA & SIGTAS) as well as Public Finance Management (SmartStream) and e-procurement applications. - Currently hiring staff for the relevant areas. <p>Project on Supporting Economic Management in the Caribbean (SEMCAR)</p> <ul style="list-style-type: none"> • The Minister (Canadian) has granted approval for the implementation of the project. • Phase I budget is approximately Cdn\$ 20 million. 	<ul style="list-style-type: none"> • SEMCAR is providing some long-term needs which CARTAC could not satisfy.

	Agenda Item	Presentation / Discussion	Comments / Action (☀) / Decisions (☑)
		<ul style="list-style-type: none"> • The project is a result of combined efforts of CIDA, CARTAC, IMF and World Bank. • It is designed to be complementary to the work of CARTAC. The focus is on strengthening business processes and systems in the areas of revenue administration; budget preparation and cash management. • Initial Steering Committee Meeting is expected to take place in the coming months. 	
9.	Withdrawal of the Dominican Republic from CARTAC	<ul style="list-style-type: none"> • CARTAC was recently advised that the Dominican Republic officially withdrew their membership from CARTAC as of October 2009. Copies of the original correspondence were sent to CARTAC and Governor Wynter's office just prior to the meeting. • A proposal was made by the Programme Coordinator to re-organize the seat representation of the Steering Committee as follows: <ul style="list-style-type: none"> - Offer the seat formerly held by the Dominican Republic and The Bahamas on a rotating basis to the ECCU Countries and add the Bahamas to the constituency comprising Belize and Suriname. 	☀ Re-organizing the seat representation of the Steering Committee: <ul style="list-style-type: none"> - Further discussion to be taken up with the affected parties before a final decision is made with respect to the recommendation from the Programme Coordinator.
10.	Staff Vacancies	<ul style="list-style-type: none"> • National Accounts Statistics Adviser: The Programme Coordinator and the Chair expressed their endorsement of Maureen Blokland for the position and asked for the approval of this 	☑ National Accounts Statistics Adviser: The committee approved the appointment of Maureen Blokland as the new National Accounts Statistics Adviser.

	Agenda Item	Presentation / Discussion	Comments / Action (☞) / Decisions (☑)
		<p>recommendation by the Steering Committee failing any objections; the position is to be filled by mid-end July.</p> <ul style="list-style-type: none"> • Capital Markets Adviser: Still awaiting feedback from the MCM /IMF Department on the two short-listed candidates; further correspondence will be sent to the Committee via email once more information becomes available; The position is to be filled by mid-July. • Programme Coordinator: The appointment process is being finalized by the IMF; The Committee will be advised within the next week or two on the appointment. • Tax Administration Adviser: The position has been filled by Mr. Robert Mills as of May 10, 2010. 	<p>☞ Capital Markets Adviser: Approval will be sought from the Steering Committee on a round robin basis.</p> <p>☞ Programme Coordinator: Approval will be sought from the Steering Committee on a round robin basis.</p>
11.	Farewell to the Programme Coordinator – Adrienne Cheasty, IMF	<ul style="list-style-type: none"> • Farewell speech was given on behalf of the Fiscal Affairs Department at the IMF expressing appreciation of her contribution and management of CARTAC during the last three years. 	Programme Coordinator responded thanking CARTAC staff, member countries, donors and IMF backstopping departments for their support during her tenure.
12.	Venue and Timing of Next Meeting	<ul style="list-style-type: none"> • The location of the next meeting will be Georgetown, Guyana in November 2010; Date to be determined and circulated; Meeting was adjourned at 5:00 p.m. 	